MINUTES OF THE COMMITTEE
ON
TAX POLICY

<u>Wednesday, October 4, 2017</u>   10:30 a.m.   Room 521, House Office Building

The House Committee on Tax Policy was called to order by the Chairman, Representative Jim Tedder.

Members present: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Johnson, Kahle, Lower, Neely, Ellison, and Hammoud.
Members absent/excused: Byrd.

Representative Kahle moved to adopt the minutes from the Wednesday, September 27, 2017 meeting.

There being no objection, the motion prevailed by unanimous consent.

The Chair laid before the committee HB 5039:

HB 5039   (Wentworth)   Transportation; motor fuel tax; motor fuel tax exemptions; modify.

Representative Wentworth introduced his bill to the committee. Questions and discussion followed.

Ken Osborne and Mike Eschelbach, representing the Michigan Department of Treasury, testified in support of the bill.

Representative Lower moved to adopt the substitute (H-1) to HB 5039.

The motion prevailed by a vote of 12-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Johnson, Kahle, Lower, Neely, Ellison, and Hammoud.
NAYS: None.
PASS: None.

The Chair laid before the committee HB 4950:

HB 4950   (Vaupel)   Corporate income tax; insurance companies; tax imposed on gross direct premiums; exclude health maintenance organizations.

The following people submitted a card in support of the bill, but did not wish to speak:
Dusty Fancher, representing AETNA.
Mike Krombeen, representing AHIP.
Jim Cavanagh, representing Molina Healthcare of Michigan.

Representative Vaupel moved to report HB 4950, with recommendation.

The motion prevailed by a vote of 12-0-0

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Kahle, Johnson, Neeley, Ellison and Hammoud.
NAYS: None.
PASS: None.

The Chair laid before the committee HB 4976:

HB 4976   (Tedder)   Taxation; administration; alternative resolutions before informal conference; provide for.

Representative Johnson offered the following amendments to HB 4976:
1.   Amend page 4, line 26 after **"(E)"** by striking out **"AFTER**" and inserting **"THROUGH DECEMBER 31, 2020, AFTER".**
2.   Amend page 10, line 11, after **"141.787."** by inserting **"THE SETTLEMENT PROCESS ESTABLISHED UNDER SUBSECTION (2) (E) DOES NOT APPLY AFTER DECEMBER 31, 2020.".**

The motion failed by a vote of 2-9-1

UNFAVORABLE ROLL CALL:

YEAS: Representatives Howrylak, and Johnson.
NAYS: Representatives Tedder, Maturen, Kesto, Lucido, Vaupel, Kahle, Neeley, Ellison, and Hammoud
PASS: Representative Lower.

Representative Lower moved to adopt the substitute (H-1) to HB 4976.

Questions and discussion was held between the committee

The motion prevailed by a vote of 12-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Johnson, Kahle, Lower, Neely, Ellison, and Hammoud.
NAYS: None.
PASS: None.

Representative Howrylak offered the following amendment to HB 4976, (H-1):

1. Amend page 4, line 27, after **"SUBDIVISION (C)"** by inserting **"FOR DISPUTES OVER CONTESTED AMOUNTS OF $2,000,000.00 OR LESS.".**

The motion failed by a vote of 2-6-4.

UNFAVORABLE ROLL CALL:

YEAS: Representatives Howrylak, Johnson.
NAYS: Representatives Tedder, Maturen, Kesto, Lucido, Vaupel, Kahle.
PASS: Lower, Neeley, Ellison, and Hammoud.

Representative Johnson offered the following amendments to HB 4976, (H-1):

1. Amend page 4, line 27, after **"(E)"** by striking out **"AFTER"** and inserting **"THROUGH DECEMBER 31, 2020, AFTER"**.
2. Amend page 10, line 18, after **"141.787."** by inserting **"THE SETTLEMENT PROCESS ESTABLISHED UNDER SUBSECTION (2) (E) DOES NOT APPLY AFTER DECEMBER 31, 2020."**.

Representative Johnson withdrew his amendment to HB 4976, (H-1).

Representative Kesto moved to adopt the following amendment to HB 4976, (H-1).

1. Amend page 5, line 6, after **"THAN"** by striking **"14"** and inserting **"21"**.

The motion prevailed by a vote of 12-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Johnson, Kahle, Lower, Neeley, Ellison, and Hammoud.
NAYS: None.
PASS: None.

The following people submitted a card in support of the bill, as substituted, but did not wish to speak:
Mike Johnston, representing Michigan Manufacturers Association.

Shane Berry, representing Michigan Association of CPAs.

Ken Osborne and Mike Eschelbach, representing the Michigan Department of Treasury.

Representative Maturen moved to report HB 4976 as, as amended, as substitute (H-2), with recommendation.

The motion prevailed by a vote of 10-1-1.

FAVORABLE ROLL CALL:

       YEAS: Representatives Tedder, Maturen, Kesto, Lucido, Vaupel, Kahle, Lower, Neeley, Ellison, and Hammoud.
       NAYS: Representative Johnson.
       PASS: Representative Howrylak.

The Chair laid before the committee HB 5047:

HB 5047 (Vaupel)   Corporate income tax; insurance companies; definition of insurance company; exclude health maintenance organizations.

The following people submitted a testimony card in support of HB 5047, but did not wish to speak:

Ken Osborne and Mike Eschelbach, representing the Michigan Department of Treasury.
Jim Cavanagh, representing Molina Healthcare of Michigan
Frank Venuto, representing United Health Group
Ryan Burtka, representing Michigan Complete Health
Christine Shearer, representing Michigan Association of Health Plans

Representative Vaupel moved to report HB 5047, with recommendation.

The motion prevailed by a vote of 12-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Johnson, Kahle, Lower, Neeley, Ellison, and Hammoud.
NAYS: None.
PASS: None.

Representative Ellison moved to excuse the absent member.

There being no objection, the motion prevailed by unanimous consent.

There being no further business before the committee and seeing no objection, the Chair adjourned the meeting, the time being 11:03 a.m.

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Representative Jim Tedder, Chair

Eddie Sleeper
Committee Clerk
October 4, 2017
33 minutes

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Date Approved and Signed